

World Trademark Review Daily

**Supreme Court denies additional hearing of appeal in charities dispute
Israel - Gilat, Bareket & Co, Reinhold Cohn Group**

Passing off

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In *ORT Israel v World ORT* (ACH 1298/11, April 28 2011), the Supreme Court has refused to grant an additional hearing of the appeal won by *World ORT* against *ORT Israel* in a dispute involving the use of the name ORT in Israel.

Both parties are non-profit organisations stemming from the historic ORT Organisation, which was formed in 19th-century Russia to promote Jewish vocational training. The abbreviation 'ORT' comes from the Russian acronym for 'Society for Artisanal Labour'. World ORT is an international Jewish organisation which, among other things, promotes technological education worldwide, via the activities of its national members. ORT Israel was established by the ORT Organisation in 1949.

Following a rift between them, ORT Israel sought to enjoin World ORT from using the name ORT in its operations in Israel, alleging passing off. The district court found that World ORT was liable for passing off, holding that only ORT Israel had acquired goodwill in the mark ORT in Israel. Therefore, it enjoined World ORT from using the mark ORT in Hebrew or in English.

In February 2011 the Supreme Court reversed the lower court's judgment, holding that World ORT's continued use of its full name in English was not confusing. Moreover, the Supreme Court left open the possibility that both entities had jointly acquired goodwill in the name ORT (for further details please see "[Tort of passing off does not apply to dispute between charities](#)").

ORT Israel petitioned for an additional hearing of the appeal, arguing that the decision had established novel law that entailed hardship for entities such as itself - namely:

- the tort of passing off as a commercial tort was deemed to be inapplicable to non-profit entities;
- the test of phonetic similarity was narrowed; and
- the door was opened for the acquisition of goodwill in Israel through activities abroad.

The Supreme Court refused to grant an additional hearing, holding that no novel law had been laid down in the appellate decision under review.

First, the Supreme Court pointed out that reliance on the tort of passing off was not prohibited in cases involving non-profit entities, as the court had left open the question of whether passing off as a commercial tort was applicable to such entities.

Second, contrary to ORT Israel's argument, the appellate decision had not introduced any changes to the test of phonetic similarity, but had merely applied that test to the circumstances of the case.

Third, the court recognised that the law regarding the concurrent acquisition of goodwill, and the conflict between goodwill acquired abroad and that acquired locally, was scarce. However, it pointed out that the possibility for an entity to acquire international goodwill that would affect its rights in Israel through activities abroad (without offering the relevant goods or services in Israel) had already been established in earlier law.

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